

Memorandum

**TO: Envision San José 2040
Task Force**

FROM: Andrew Crabtree

**SUBJECT: March 22, 2010
TASK FORCE MEETING**

DATE: March 18, 2010

This memo provides information to assist you in preparing for the March 22, 2010 Envision San José 2040 Task Force Meeting. Links to the referenced documents and other resource materials (e.g., reading materials and correspondence) are posted on the Envision website.

Task Force Meeting Outcomes:

- 1) **Primary Outcome** – Review and finalize Task Force recommendation for the location of new job and housing growth capacity. It is important that the Task Force complete this recommendation so that it can be forwarded to the City Council April 20, 2010 meeting, allowing the Envision project to proceed consistent with the required environmental review timeline and final adoption schedule.
- 2) **Secondary Outcome** – The Task Force can also use the meeting time to discuss the potential timing / availability of growth capacity in terms of Horizons and Objectives.

The Task Force will use the March 22, 2010 meeting to finalize a recommendation for a Preferred Land Use Scenario, including identified growth locations, which will then be forwarded to City Council and to discuss options for the timing of job and housing growth. At the following meeting, on April 12, 2010, the Task Force will discuss the proposed scope for the General Plan and potential General Plan implementation tools, along with review of the revised Goals, Policies and Implementation Actions for Transportation and Economic Development. Please refer to the Work Program on the Envision Task Force webpage for more detailed information on upcoming Work Program items.

Agenda Item 3 – Background Information

Review of March 8 Task Force Meeting Discussion of a Preferred Land Use Scenario

Following table group discussion and then the large group discussion during which each Task Force member indicated his or her preferred scenario, the Task Force voted on a motion to recommend Scenario 6 (470,000 new jobs and 120,000 new dwelling units; Jobs / Employed Resident Ratio = 1.3) and to further consider phasing options at the next Task Force meeting. Fourteen Task Force members voted in favor of the motion and eleven were opposed, with those opposed generally divided into two groups, one of which would prefer additional housing capacity and one of which would prefer less growth overall.

Additional Supporting Documents

The following documents are being provided to the Task Force as resources for the upcoming Task Force meeting discussions of growth location and timing. Documents included within the packet materials should be reviewed by all Task Force members, while those included as Reference Materials may be used as desired by members interested in additional information.

Meeting Outcome #1 (Location of New Job Growth and Capacity)

Packet Materials:

- **Preferred Land Use Study Scenario Distribution of Job and Housing Growth Capacity by Location** – This is the key document for Task Force members to use to review the proposed job and housing growth capacity for each of the identified Growth Areas. The Table identifies the Scenario 6 total amount of job growth capacity and housing growth capacity for each growth area. Similar tables for Scenarios 1-5 were previously provided to the Task Force members. The Table also indicates a breakdown of job by land use category addressing forecast demand.
- **Map 1: Planned and Identified Growth Areas** – This map illustrates the planned growth areas, color coded by type of growth area (e.g., Downtown, Specific Plan Areas, Employment Lands, Transit Villages / Corridors, Commercial Areas, Neighborhood Villages).

Resource Materials:

- **Comparison Table of Service Population Density by Growth Area** – This table compares growth areas in terms of service population density (e.g., the total amount of residential population and employees in a growth area per acre of land available) for Scenarios 3 through 6. This data, color coded by type of growth, generally indicates the relative density (job and housing growth combined) that would be reached at full build-out for each of the Village, Corridor, and Commercial growth areas and can be used to help identify if an appropriate amount of growth has been planned for each growth area .
- **Projected Job Growth Demand by Industry and Land Use Type Tables** – In response to Task Force member requests for more data on the types of jobs being planned for each scenario, the Task Force is being provided with updated versions of two tables included within the *Job Growth Projections and Employment Land Demand* Report. These tables include projections for the distribution of jobs by industry and a resulting distribution by employment land use category (e.g., Industrial/Warehouse, R&D/Low-Rise, Mid & High Rise, Retail – Small, Retail – Large and Institutional/Other) for each Land Use Study Scenario, including Scenario 6, using a methodology developed by Envision consultants CCSCE (Center for Continuing Study of the California Economy) and Beacon Economics.

Meeting Outcome #2 (Timing Options)

Packet Materials:

- **Description of Timing Options for the Envision Preferred Land Use Scenario** – This document includes text, diagrams and tables to illustrate three options for the possible timing of job and housing growth capacity. These options link the housing capacity made available to the actual amount of job growth realized. Timing Option 1 was presented to the Task Force at the March 8, 2010 meeting as part of the staff recommended Scenario 6. Timing Option 2 and

Option 3 illustrate variations that would make housing capacity available in smaller increments along with a smaller amount of job growth.

- **Map 2: Proposed Prioritization of Housing Growth Areas** – This map depicts the staff recommended priority level for each housing growth area (areas shown in red are given the highest priority for near-term housing development, followed by areas in yellow and then green; areas shown in blue are designated only for job growth; areas shown in orange already have committed housing growth capacity). No housing growth is planned for the Coyote Valley and South Almaden Valley Urban Reserves. All Growth Areas are recommended to be available for the full amount of planned job growth at any time.

Resource Materials:

- **List of Existing Entitled, Un-Built Residential Projects** – This table provides an itemized list of all properties currently entitled for new residential development that have not yet been issued building permits. These existing entitlements represent an approved development permit and/or an approved Planned Development Zoning from the City, and they allow for the potential construction of up to 20,750 dwelling units, the majority of which are located within Growth Areas, as illustrated through the color-coded sections.
- **Vacant and Underutilized Property with Housing Capacity (Summary List and Complete List)** – These tables identify the projected dwelling unit capacity for vacant or largely underutilized lands currently designated for housing within the General Plan (SJ 2020). Based on the current General Plan land use designation for each vacant property and the corresponding standardized yield for each designation, if developed under the current General Plan, these lands are projected to result in the construction of 5,417 new housing units.
- **Table of Job and Housing Growth Capacity by Phase for Each Timing Option** – This table indicates the specific job and housing growth goals for each of the proposed phases in each of the Timing options. The columns labeled “Full Housing Growth Only” identify the Jobs per Employed Resident (J/ER) ratio for each interim phase of growth capacity if all the new housing for that phase is built before any additional jobs.
- **Historic Permit Data 1998-2009** – These tables identify the number of single-family and multi-family residential units and amount of commercial square footage receiving building permits each fiscal year from 98/99 through 08/09. The average number of units receiving building permits between 98/99 and 08/09 was 3,164 units per year. The Task Force was previously provided with this information as part of the Meeting #19b packet materials.

Agenda Item 4 – Envision Preferred Land Use Scenario – Small Group Discussion

The Task Force members will be seated in table groups and initially discuss the Growth Location and Growth Timing for the recommended Land Use Scenario in a small group setting.

Location of Planned Job and Housing Growth Capacity

Task Force members should first review the proposed distribution of job and housing growth capacity for the Preferred Land Use Scenario (Scenario 6). The current proposed distribution has evolved to incorporate Task Force input from throughout the Envision process to date and should therefore be

largely consistent with the principles set forth in the Land Use Scenario Guidelines and those expressed by Task Force members at multiple Task Force meetings. Task Force members should refer to the following growth distribution summary and other Packet and Resource materials:

Downtown – Ambitious amounts of job and housing growth capacity are already planned for the Downtown in the Downtown Strategy. Maintaining this capacity is important for multiple City goals (e.g., to support financing of the BART system) and also consistent with the Envision goals. After careful review of potential development sites within the Downtown, staff concluded that it may be feasible to add capacity for an additional 750 dwelling units beyond that already planned. This analysis was provided to the Task Force as part of the packet materials for Meeting #22 on May 26, 2009.

Specific Plan Areas – The City's existing Specific Plans generally have a residential orientation; only the Alviso Master Plan and Rincon South Specific Plan include significant amounts of planned job growth. In all of the scenarios considered by the Task Force, including Scenario 6, a significant amount of job growth capacity was added to the Alviso plan area. The Water Pollution Control Plant lands, currently undergoing a separate master planning process, have been identified as the one significant opportunity within the City to add new employment land areas, and in particular to provide an opportunity for new light industry or manufacturing activity jobs. According to current occupancy data and the Envision *Job Growth Projections and Employment Land Demand* Report, there is a significant need for additional industrial land of this type. Because the other Specific Plan areas are generally built-out and/or located in areas with a lesser degree of transit access, staff did not allocate additional job and housing growth capacity to those areas.

North San Jose – The North San Jose Area Development Policy provides growth capacity for up to 85,000 new jobs and 32,000 new housing units. The Policy includes a phasing plan and a Traffic Impact Fee which link job and housing growth together and requires some amount of both in order to fund transportation improvements. Accordingly, it is important to maintain the full amount of job and housing growth capacity provided within the Policy in order to keep the Policy and its environmental review clearance intact. Additionally, at least half of the total housing growth capacity should be readily available in order to allow the full employment capacity to be available. Because of the ambitious amount of job growth contained within Scenario 6, 12,000 additional jobs are proposed to be added to the North San Jose area, further intensifying the large amount of employment land available.

Employment Lands – In addition to North San Jose, significant job growth is planned within each of the City's Employment Land areas. Scenario 6 includes new job growth capacity in the Monterey Corridor, Edenvale, Berryessa/International Business Park, Mabury, East Gish and Senter Road areas and maintains the planned job growth capacity in North Coyote Valley. Of particular note, the northeast corner of the Berryessa/International Business Park area has been classified (in all of the scenarios) as a BART station area due to its proximity to the planned Milpitas BART station and existing Capitol Avenue Light Rail stations. This station area is planned for significant job growth in Scenario 6. The Old Edenvale area, because of its access to Light Rail, is also planned for additional job growth.

BART/Caltrain Villages – In keeping with the strong job emphasis of Scenario 6 and the transportation modeling analysis which reinforced the importance of planning job growth on the regionally-oriented BART system to support the City's growth as a regional job center, significant new

job growth capacity is planned for the BART/Caltrain Villages. To accommodate the large amount of job growth contained within Scenario 6, both the Lundy/Milpitas and Berryessa BART station areas should be planned for large amounts of new mid-rise and high-rise employment uses. To accomplish the envisioned level of intensification of employment uses at the Berryessa BART station, it would be necessary to reconsider existing entitlements for medium density residential uses in the vicinity of the planned BART station. Without the addition of a significant amount of growth capacity to the Berryessa BART station area, it would be one of the lower intensity Growth Areas in terms of planned service population (residents and employees) per acre. The Alum Rock BART station area is also given a stronger job focus, shifting planned job capacity to the high end of the range allowed in the current General Plan designation and shifting housing capacity to the low end of the allowed range. Compared with all other scenarios considered by the Task Force, Scenario 6 generally includes minimal housing growth capacity and strong job growth capacity for the BART station areas.

Transit Villages and Corridors – A large and balanced amount of job and housing growth capacity is planned for the Transit Villages and Corridors with the goal to maximize the opportunity for creating new mixed-use villages in these areas. While the BART area job capacity is planned primarily for mid-rise and high-rise offices, the Light Rail Villages should provide more opportunity for retail and service jobs that benefit from close proximity to residential use. While the BART system serves as a regional transit line, bringing workers from throughout the region to employment centers within San Jose, the light rail system is more appropriate for shorter commute trips and is also less likely to generate land use compatibility concerns. Accordingly, it is appropriate to include more residential and retail growth capacity along the light rail system. The Oakridge Mall Light Rail station area is particularly of interest because of its size and high level of unrealized potential to support a walkable, mixed-use community because of the amount and diversity of established commercial uses and other services already located within the area.

Commercial Centers – While the Commercial Centers are less directly connected to transit, they contain large parcels which may have greater potential for redevelopment and are generally located in areas with a high degree of accessibility which is advantageous for intensified commercial development. Providing residential growth capacity in the Commercial Center Growth Areas is a potential catalyst for spurring the redevelopment and enhancement of existing commercial uses while also transforming them into Village type environments. At the same time, their typically more suburban settings may create some challenge to such revitalization. The Commercial Centers with closer proximity to other growth areas and transit (e.g., North Bascom Avenue) or in proximity to established, more intense uses (e.g., De Anza Blvd.) may have greater near-term potential for transformation into Village settings. A modest and balanced amount of new housing and job growth capacity is planned for the Commercial Centers in order to support their intensification as both employment and housing centers, while also recognizing that transit-oriented sites should be given greatest priority.

Neighborhood Villages – To support the Envision goal of providing broad access to mixed-use Villages for all areas of the City through the development of Neighborhood Villages, while also accommodating the strong jobs orientation of Scenario 6, a small amount of housing growth capacity and a modest amount of job growth capacity is planned for the Neighborhood Village areas. Without more housing growth, it will be difficult to significantly enhance existing retail and service uses in the Neighborhood Village areas. It also will likely be difficult to attract Driving Industry type jobs to these locations given their relatively small scale and separation from other employment areas.

Timing of Planned Job and Housing Growth Capacity

Following discussion of the proposed location for job and housing growth capacity, Task Force members may also discuss the proposed timing of the availability of that capacity. Three options are presented for Task Force consideration in the Packet materials. In these options, the total amount of housing growth capacity is divided into Horizons (stages or phases) with varying amounts of housing capacity available for each Horizon. Each of the Horizons also has identified Objectives (goals or triggers) that need to be met before beginning the next Horizon. The Objectives include specific amounts of job growth and the achievement of various Balanced Community goals, including the delivery of City services and conformance to the other measurable goals contained within the General Plan text. It will be important to require master planning of Village areas (through a master plan policy, zoning overlay or other implementation tool) prior to the development of parcels within the Village to insure that the new development furthers the overall Village goals for job growth, park development and provision of other City services.

Agenda Item 5 – Small Group Reports and Full Task Force Discussion of Land Use Scenario

Following the Task Force small group discussion, the entire Task Force will be given an opportunity to discuss the location of new job and housing growth capacity for the Preferred Land Use Scenario and possibly to also discuss the timing of that capacity. Each Small Group will be asked in turn to present the key discussion points from their group discussion. Task Force members will then have time for a general discussion of the location and timing of job and housing growth in the Preferred Land Use Scenario.

Agenda Item 6 – Community Input

Members of the community will be provided with an opportunity to address the Task Force and provide input on the Agenda discussion items.

Agenda Item 7 – Task Force Vote on Preferred Land Use Scenario Growth Locations, and Phasing Plan

The Task Force will be asked to propose and vote on a single recommendation for a Preferred Land Use Scenario, including the amount of new job and housing growth capacity to be provided in each of the Planned and Identified Growth Areas. This recommendation will be forwarded to the City Council. In order to maintain the Envision project schedule, the Task Force must complete this step at the March 22nd meeting.

The Task Force may also vote on a proposed timing concept (e.g., Horizons and Objectives) for the Preferred Land Use Scenario. Completing this step will enable the Task Force to make timely progress toward completion of the remaining Work Program items. The Task Force is scheduled to further discuss General Plan implementation at a future Task Force meeting, at which time the specific details for the Horizons and Objectives can be further discussed and refined.

Reading / Resource Materials

Resource materials for the Task Force are available on the Envision website.

Task Force Correspondence

A letter co-signed by three Task Force members, Shiloh Ballard on behalf of the Silicon Valley Leadership Group, Michelle Beasley on behalf of the Greenbelt Alliance and Brian Darrow on behalf of Working Partnerships USA, has been submitted to the Task Force. The letter addresses potential trigger and phasing mechanisms for the General Plan and requests that the Task Force be provided with adequate time to discuss these in a small group setting. Task Force members can further discuss this request as part of the discussion at the meeting.

Public Correspondence

Community member Larry Ames submitted correspondence to the Task Force which has been posted on the Envision website. The correspondence discusses the “Ohlone Project” (proposed mixed-use residential and commercial project located at the southwest corner of San Carlos and Sunol streets) and general principles related to the successful design of mixed-use residential projects in an urban setting.

Announcements

Taskforce member Shiloh Ballard invites fellow Task Force members and members of the public to participate in an informal conversation with some of the Silicon Valley Leadership Group’s members to hear directly from the business community on job growth issues—specifically, what are the factors that companies consider when deciding where to expand/relocate. Please contact City of San Jose Planning Division staff (Andrew Crabtree or Susan Walton) no later than March 30, 2010 if you would like to participate in this opportunity.

Next Meetings

The next meeting is scheduled for Monday, April 12, 2010. This meeting will focus on discussion of the scope of the General Plan and review of revised Goals, Policies and Implementation Actions for Transportation, Economic Development and Fiscal Stability.

If you have any questions, please contact either myself or Susan Walton. I can be reached by phone at (408) 535-7893 or by email at: andrew.crabtree@sanjoseca.gov. Susan can be reached by phone at (408) 535-7847 or by email at: susan.walton@sanjoseca.gov.

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